ASRS Strategic Asset Allocation Policy Schematic

Asset Class	Policy	Range	Benchmark	Passive %
Large Cap	23%		S&P 500	
Mid Cap	5%		S&P 400	
Small Cap	5%		S&P 600	
US Equity	**33%**	(26 - 38%)		Min 50%
Developed Large Cap	14%		MSCI EAFE	
Developed Small Cap	3%		MSCI EAFE Small Cap	
Emerging Markets	6%		MSCI EM	
Non-US Equity	**23%**	(16 - 28%)		Min 30%
Private Equity	7%	(5 - 9%)	Russell 2000	
Opportunistic Equity*	0%	(0 - 3%)	Investment Specific	
	7%			
Total Equity	**63%**	**(53 - 70%)**		
Core	13%		Barclays Aggregate	Min 50%
High Yield	5%		Barclays HY	
US Fixed Income	**18%**	(8 - 28%)		
Emerging Market Debt	4%		JP Morgan GBI-EM Global Diversified	
Private Debt	3%		S&P /LSTA Leveraged Loan Index + 2.5%	
Opportunistic Debt*	0%	(0 - 10%)	Investment Specific	
	7%			
Total Fixed Income	**25%**	**(15 - 35%)**		
Commodities	4%	(1 - 7%)	DJ UBS Total Return	
Real Estate	8%	(6 - 10%)	NCREIF ODCE	
Infrastructure	0%	(0 - 3%)	CPI (ex food and energy) + 3.5%	
Farmland and Timber	0%	(0 - 3%)	CPI (ex food and energy) + 3.5%	
Opportunistic Inflation Linked*	0%	(0 - 3%)	Investment Specific	
Total Inflation Linked Assets	**12%**	**(8 - 16%)**		
TOTAL	**100%**			
Global Tactical Asset Allocation (GTAA)	10%	(5 - 15%)	Total Fund Benchmark	

*Note: Aggregate Opportunistic asset classes not to exceed 10%

Approved by the ASRS Board: May 24, 2013

Asset Allocation Policy
(Broad Asset Classes)
US Equity: 33%
Non-US Equity: 23%
Private Equity: 7%
Total Equity: 63%
US Fixed Income: 18%
Emerging Market Debt: 4%
Private Debt: 3%
Total Fixed Income: 25%
Commodities: 4%
Real Estate: 8%
Total Inflation Linked Assets: 12%

Investment Goals:

- Maximize the Fund Rate of Return for Acceptable Levels of Fund Risk
- Achieves 75th Percentile Rate of Return Compared to Peers
- Achieves Long-term Fund Rates of Return Equal to or Greater than the Actuarial Assumed Interest Rate
- Achieves Long-term Economic and Actuarial Funded Statuses of 100 percent
- Mitigates Contribution Rate Volatility

Investment Objectives:

Total Fund Performance

- Achieve a 20-year rolling annual total fund net rate of return equal to or greater than the actuarial assumed interest rate.

- Achieve 1-year and 3-year rolling annual total fund net rates of return equal to or greater than the return of the ASRS asset allocation policy (SAAP) Benchmark.

Asset Class Performance

- Achieve 1-year and 3-year rolling annual net rates of return for ASRS strategic asset classes that are equal to or greater than their respective strategic asset class benchmarks.

Cash Flow Performance

- Ensure sufficient monies are available to meet pension benefits, health insurance, member refunds, administrative payments, and other cash-flow requirements.